

Addendum to FSC-148-B		12/30/97	
SUBJECT: TPS Spread Processing Rules			
DISTRIBUTION:			
<u>X</u> AVP	<u>X</u> KAM	<u>X</u> DM	
<u>X</u> RSM	<u>X</u> AM	<u>X</u> RM	
<u>X</u> RBM	<u>X</u> AE	_____ Sales Rep	
<u>X</u> ROM		_____ Retail Rep	

- Drafts being written to individual chain stores
- SPREAD OPTIONS
(X box if NOT SPREAD BY volume)
- NO Drafts for mgs
- MUST indicate promo description / dates implement
- Drafts written to DA for OFF INV. PRODUCT i.e.: Salem Tea Tape

Objective: Clarify TPS Spread Processing Rules.

Purpose: This first version of the spread functionality is designed to improve account level spending information and improve the PV% measures. As we move to a "geographical" view of discounting activity, 1998 discounting activity may not be comparable to 1997 levels. The 1997 discounting activity will not be re-stated; therefore, consider the effect of this change when comparing current and historical discounting execution levels.

As previously communicated on 9/29/97 in FSC-148-B Temporary Payment System (TPS) Discounting Spread Functionality, the ability to spread discounting payments to individual retail accounts will be available January 5, 1998. Outlined below are TPS Spread Processing Rules that should be considered with the implementation of this change.

TPS Spread Processing Rules

For all 1998 voucher requests or activity posting to a direct, indirect, or Chain Headquarter account, the voucher detail must be spread to retail accounts before payment processing. The system has been designed to automatically invoke the spreading function during the voucher entry process for accounts meeting the above criteria.

Please note: Drafts are not included in this version of the TPS re-write. The practice of writing multiple drafts to non-retail accounts will circumvent the objectives of the spread functionality and should be minimized. Please discuss with your Area Manager of Finance any accounts meeting this criteria for further direction.

NO DRAFTS:
RR'S/MGR'S
TEST: INDIANS

The two (2) methods of selecting retail accounts for spreading are as follows:

1. Use Master List selection criteria and build scroll list as input into the spread function.
2. Use BPE Generic Template account list as input into the spread function.

Once the account list has been built, two (2) methods of determining retail account spread quantities are as follows:

1. Spread activity using the retail accounts percentage of SIS-RJR Weekly Carton Volume. Currently envisioned as the most frequently used version of spreading.
2. Spread activity evenly to each account selected.

The system will automatically calculate the account quantities based upon the method selected. In conditions where the activity units are less than the total accounts selected, the system will distribute 1 unit to each account until the activity units have been dispersed in total for either spread option selected.

If the spread functions are not completed in their entirety, the requested voucher will not be processed for payment. The voucher request will be suspended until the spread function is completed. In order to unsuspend the voucher, the spread function must be selected from the menu and the voucher number entered to resume the spread functions.

51856 9584

For requested vouchers requiring system approval (\$50,000+) and spreading, the spread function must be completed before the voucher can be approved for payment.

Voucher changes cannot be made to detail that has been spread where the voucher has not been paid. The voucher must be deleted and re-entered.

If a voucher is voided, all retail accounts where the activity has been spread will be unplaced.

Summary

Our System's support personnel have provided a "good first step" spread functionality that is simple, intuitive, and straight forward. However, we may encounter examples that may need additional discussions. Please ensure these examples are communicated to your Area Manager of Finance. As enhancements are identified and implemented, we will communicate their availability.

Program Contacts: Your Area Manager of Operations
 NESAs, Anne Cullip, extension #1401
 SSAs, Leslie MacPherson, extension #7835
 WSAs, Kathryn Noxon, extension #2559
 MWSAs, Rick Cornett, extension #0188

R. J. REYNOLDS TOBACCO COMPANY

51856 9585